

AMENDED IN SENATE AUGUST 15, 2005

AMENDED IN ASSEMBLY MAY 26, 2005

AMENDED IN ASSEMBLY APRIL 20, 2005

AMENDED IN ASSEMBLY APRIL 4, 2005

CALIFORNIA LEGISLATURE—2005—06 REGULAR SESSION

ASSEMBLY BILL

No. 624

**Introduced by Assembly Member Montanez
(Coauthor: Assembly Member Cohn)**

February 17, 2005

An act to add Sections 12693.415 and 12693.701 to the Insurance Code, and to add Sections 14005.42, 14011.85, and 14011.86 to the Welfare and Institutions Code, relating to child health, *and making an appropriation therefor*.

LEGISLATIVE COUNSEL'S DIGEST

AB 624, as amended, Montanez. Medi-Cal program: Healthy Families Program: Child Health and Disability Prevention (CHDP) program.

Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Services and under which qualified low-income persons receive health care benefits.

Existing law establishes the Healthy Families Program, administered by the Managed Risk Medical Insurance Board, to arrange for the provision of health services to an eligible person.

Existing law requires the department and the board to implement a program for preenrollment of children into the Medi-Cal program and the Healthy Families Program.

Existing law establishes the Child Health and Disability Prevention (CHDP) program, administered by the department, to provide early and periodic assessments of the health status of children.

This bill would require the department and the board to deem to have met the income documentation requirements for participation in the Healthy Families Program and the Medi-Cal program any child who meets the income eligibility requirements for participation in the CHDP program and who is preenrolled in the CHDP gateway program.

Under existing law, benefits under the Medi-Cal program provided to an individual pursuant to a preliminary determination end, without the necessity for any further review or determination by the department, on or before the last day of the month following the month in which the preliminary determination was made, unless an application for medical assistance is filed on or before that date. If an application for medical assistance is filed before this deadline, preliminary benefits continue until the regular eligibility determination based on the application has been completed.

Existing law requires the department to develop an electronic application to serve as the application for preenrollment into the Medi-Cal program or the Healthy Families Program and to also serve as an application for the CHDP program.

This bill would require, by July 1, 2006, the department to modify the electronic preenrollment application process to include a process to be used, at the option and with the written consent of the person applying on the child's behalf, to simultaneously preenroll and apply for enrollment into the Healthy Families Program or Medi-Cal program, which shall include an application to provide for continuing preliminary benefits until a final eligibility determination is made.

This bill would provide that its provisions shall be implemented only if and to the extent that an appropriation is made for that purpose in the annual Budget Act or another statute.

This bill would appropriate \$2,000,000 from the General Fund to the board and the department to implement these provisions as a statewide pilot project for children under the age of 2 years.

Under existing law, certain dental services are covered Medi-Cal benefits.

This bill would declare that the Legislature has appropriated money in the Budget Act of 2001 and each subsequent Budget Act thereafter, for the provision under the Medi-Cal program of nonemergency

benefits for the prevention and treatment of dental and periodontal disease for beneficiaries during pregnancy to prevent premature deliveries and low-birth weights. The bill would require the department to immediately implement the provision of these services by informing Denti-Cal and other Medi-Cal providers through provider bulletins that these benefits are included for pregnant beneficiaries. The bill would require the department to adopt regulations to implement the provision of these services on or before January 1, 2008, and would provide that implementation of this provision shall not be delayed pending the adoption of these regulations.

Vote: ~~majority~~^{2/3}. Appropriation: ~~no~~-yes. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 12693.415 is added to the Insurance
2 Code, to read:
3 12693.415. (a) The board shall consult and coordinate with
4 the State Department of Health Services in implementing,
5 pursuant to Section 14011.85 of the Welfare and Institutions
6 Code, a process to be used at the option and with the written
7 consent of the person applying on a child's behalf to
8 simultaneously preenroll and apply for enrollment into the
9 Healthy Families Program or Medi-Cal program, which shall
10 include the application described in subdivision (b) of Section
11 14011.85 of the Welfare and Institutions Code and shall provide
12 continuing preliminary benefits within the meaning of
13 subdivision (b) of Section 14011.8 of the Welfare and
14 Institutions Code until a final eligibility determination is made.
15 The board shall accept the electronic application described in
16 subdivision (b) of Section 14011.85 of the Welfare and
17 Institutions Code as an application for the Healthy Families
18 Program. Continuing preliminary benefits under this section shall
19 be administered by the State Department of Health Services to
20 provide full-scope benefits pursuant to Medi-Cal requirements, at
21 no cost to the applicant.
22 ~~(b) The board may use the state intermediary for Medicaid to~~
23 ~~process the eligibility determinations and payments required~~

~~pursuant to Section 14011.85 of the Welfare and Institutions Code.~~

~~(e) The board shall be exempt from the requirements of Chapter 7 (commencing with Section 11700) of Division 3 of Title 2 of the Government Code and Chapter 3 (commencing with Section 12100) of Part 2 of Division 2 of the Public Contract Code as those requirements apply to the use of processing services by the state fiscal intermediary.~~

~~(d)~~

(b) (1) The board, in consultation with the State Department of Health Services, may adopt emergency regulations to implement, pursuant to Section 14011.85 of the Welfare and Institutions Code, a process to be used at the option and with the written consent of the person applying on a child's behalf, to simultaneously preenroll and apply for enrollment into the Healthy Families Program or Medi-Cal program.

~~(2) The emergency regulations shall include, but not be limited to, regulations that implement any changes in rules relating to eligibility, enrollment, and disenrollment in the programs pursuant to Sections 12693.45 and 12693.70. The initial~~

(2) *The initial* adoption of emergency regulations and one readoption of the initial regulations shall be deemed to be an emergency and necessary for the immediate preservation of the public peace, health and safety, and general welfare. Initial emergency regulations and the first readoption of those regulations shall be exempt from review by the Office of Administrative Law. The initial emergency regulations and one readoption of those regulations authorized by this section shall be submitted to the Office of Administrative Law for filing with the Secretary of State and publication in the California Code of Regulations and each shall remain in effect for no more than 180 days.

~~(e)~~

(c) This section shall be implemented only if and to the extent that an appropriation is made for that purpose in the annual Budget Act or another statute.

SEC. 2. Section 12693.701 is added to the Insurance Code, to read:

12693.701. (a) Notwithstanding any other law, the board shall deem to have met the income documentation requirements

for participation in the Healthy Families Program any child who meets the income eligibility requirements for participation in the Child Health and Disability Prevention (CHDP) program pursuant to Article 6 (commencing with Section 124025) of Chapter 3 of Part 2 of Division 106 of the Health and Safety Code and who is preenrolled in the CHDP gateway program pursuant to Section 12693.41.

(b) The board shall seek approval of any amendments to the state plan necessary to implement this section, for purposes of funding under Title XXI of the federal Social Security Act (42 U.S.C. Sec. 1397aa et seq.). Notwithstanding any other law, this section shall be implemented only to the extent that federal financial participation is available.

(c) This section shall be implemented only if and to the extent that an appropriation is made for that purpose in the annual Budget Act or another statute.

SEC. 3. Section 14005.42 is added to the Welfare and Institutions Code, to read:

14005.42. (a) Notwithstanding any other law, the department shall deem to have met the income documentation requirements for participation in the Medi-Cal program, without share of cost, any child who meets the income eligibility requirements for participation in the Child Health and Disability Prevention (CHDP) program pursuant to Article 6 (commencing with Section 124025) of Chapter 3 of Part 2 of Division 106 of the Health and Safety Code and who is preenrolled in the CHDP gateway program pursuant to Section 12693.41 of the Insurance Code.

(b) The department shall seek approval of any amendments to the state plan necessary to implement this section, for purposes of funding under Title XIX of the federal Social Security Act (42 U.S.C. Sec. 1396 et seq.). Notwithstanding any other law, this section shall be implemented only to the extent that federal financial participation is available.

(c) This section shall be implemented only if and to the extent that an appropriation is made for that purpose in the annual Budget Act or another statute.

SEC. 4. Section 14011.85 is added to the Welfare and Institutions Code, to read:

1 14011.85. (a) (1) To the extent allowed under federal law
2 and only if federal financial participation is available, the
3 department shall exercise the option provided in Section
4 1396r-1a of Title 42 of the United States Code and the Managed
5 Risk Medical Insurance Board shall exercise the option provided
6 in Section 1397gg(e)(1)(D) of Title 42 of the United States Code
7 to implement a program to provide a process to be used at the
8 option and with the written consent of an applicant, to
9 simultaneously preenroll and apply for enrollment into the
10 Medi-Cal program or Healthy Families Program, which shall
11 include the application described in subdivision (b) and shall
12 provide for continuing preliminary benefits within the meaning
13 of subdivision (b) of Section 14011.8 until a final eligibility
14 determination is made.

15 (2) Upon the exercise of both of the federal options described
16 in this subdivision, the department shall implement and
17 administer a program of continuing preliminary benefits pursuant
18 to this section.

19 (b) (1) Before July 1, 2006, the electronic application
20 developed pursuant to subdivision (b) of Section 14011.7 shall be
21 modified, to the extent permitted by federal law, to serve, at the
22 applicant's option and with the applicant's written consent, as an
23 application for simultaneous application for both preenrollment
24 and enrollment into the Medi-Cal program or Healthy Families
25 Program and provide for continuing preliminary benefits within
26 the meaning of subdivision (b) of Section 14011.8 until a final
27 eligibility determination is made.

28 (2) The department shall consult with representatives of
29 consumers, counties, and medical providers in developing, as
30 required by this subdivision, the preenrollment and enrollment
31 application process and, if any are necessary, followup
32 procedures.

33 (c) CHDP program providers designated by the department for
34 purposes of paragraph (1) of subdivision (c) of Section 14011.8
35 may determine eligibility for continuing preliminary benefits
36 within the meaning of subdivision (b) of Section 14011.8, as
37 authorized under this section, and shall be subject to the
38 requirements of paragraph (2) of subdivision (c), and subdivision
39 (d), of Section 14011.8 with respect to completing and filing an
40 electronic application developed under this section.

(d) The electronic application developed for purposes of this section shall comply with all of the following requirements:

(1) Be the simplest permitted by federal law to achieve the purposes of this section.

(2) Be adequate to constitute an application for medical assistance.

(3) Request only the information that is necessary to provide the child with continuing preliminary benefits within the meaning of subdivision (b) of Section 14011.8 until a final eligibility determination is made pursuant to the federal options described in Section 1396r-1a or 1397gg(e)(1)(D) of Title 42 of the United States Code and to the extent federal financial participation is available.

(e) The followup procedures for the application developed pursuant to subdivision (b), if any are necessary, shall be the simplest permitted by federal law to qualify for federal financial participation. Any child whose parent or guardian fails to provide all necessary documentation for purposes of this subdivision shall be denied eligibility.

(f) (1) If the electronic application developed pursuant to this section indicates that the child is seeking eligibility for either no cost full-scope Medi-Cal benefits or enrollment in the Healthy Families Program, the applicant shall be given the option to simultaneously submit, along with the preenrollment application, the electronic application developed pursuant to subdivision (d).

(2) The date of application for the Medi-Cal program or the Healthy Families Program is the date the optional electronic enrollment application provided for in subdivision (b) is submitted or the date another application for the Medi-Cal program or Healthy Families Program is submitted with the appropriate entity by the parent or guardian, whichever is earlier.

(3) In addition to any notification required pursuant to paragraph (3) of subdivision (e) of Section 14011.7 with respect to the electronic application process, upon making a determination that a child is eligible pursuant to paragraph (1), the CHDP provider shall inform the child's parent or guardian of both of the following:

(A) That the child has been determined eligible for both preenrollment and continuing preliminary benefits until a final

1 eligibility determination as to the child's eligibility for the
2 Medi-Cal program or Healthy Families Program is made.

3 (B) That if the child has been determined to be eligible for
4 preenrollment into either the Medi-Cal program or Healthy
5 Families Program, but does not simultaneously submit the
6 electronic enrollment application, the period of preenrollment
7 eligibility will end on the last day of the month following the
8 month in which the determination of preenrollment eligibility is
9 made, unless the parent or guardian completes and returns to the
10 appropriate entity an application for the Medi-Cal program or
11 Healthy Families Program on or before that date.

12 (4) If the electronic application for enrollment described in
13 subdivision (b) or another application for the Medi-Cal program
14 or Healthy Families Program is submitted on or before the last
15 day of the month following the month in which a determination
16 is made that the child is eligible for preenrollment into either the
17 Medi-Cal program or the Healthy Families Program, the period
18 of preenrollment eligibility shall continue as preliminary benefits
19 within the meaning of subdivision (b) of Section 14011.8, until
20 the completion of the determination process for the applicable
21 program or programs.

22 (g) The scope and delivery of benefits provided to a child who
23 is preenrolled for the Medi-Cal program, or whose preliminary
24 benefits are continued pursuant to this section, shall be identical
25 to the scope and delivery of benefits received by a child who is
26 enrolled in the Medi-Cal program pursuant to this chapter.

27 (h) The department and the Managed Risk Medical Insurance
28 Board shall seek approval of any amendments to the state plan,
29 necessary to implement this section, for purposes of funding
30 under Title XIX (42 U.S.C. Sec. 1396 et seq.) and Title XXI (42
31 U.S.C. Sec. 1397aa et seq.) of the Social Security Act.
32 Notwithstanding any other provision of law and only when all
33 necessary federal approvals have been obtained, this section shall
34 be implemented only to the extent federal financial participation
35 is available.

36 (i) Upon the implementation of this section, this section shall
37 control in the event of a conflict with any provision of Article 6
38 (commencing with Section 124025) of Chapter 3 of Part 2 of
39 Division 106 of the Health and Safety Code governing the Child
40 Health and Disability Prevention program.

(j) To implement this section, the department may contract with public or private entities, or utilize existing health care service provider enrollment and payment mechanisms, including the Medi-Cal program's fiscal intermediary, only if services provided under the program are specifically identified and reimbursed in a manner that appropriately claims federal financial reimbursement. Contracts, including the Medi-Cal fiscal intermediary contract for the Child Health and Disability Prevention program, including any contract amendment, any system change pursuant to a change order, and any project or systems development notice shall be exempt from Part 2 (commencing with Section 10100) of Division 2 of the Public Contract Code, Chapter 7 (commencing with Section 11700) of Part 1 of Division 3 of Title 2 of the Government Code, Section 19130 of the Government Code, and any policies, procedures, or regulations authorized by these laws.

(k) Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, the department shall implement this section by means of all-county letters or similar instructions, without taking any further regulatory action. Thereafter, the department shall adopt regulations, as necessary, to implement this section in accordance with the requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

(l) This section shall be implemented only if and to the extent that an appropriation is made for that purpose in the annual Budget Act or another statute.

SEC. 5. Section 14011.86 is added to the Welfare and Institutions Code, to read:

14011.86. (a) The application described in subdivision (b) of Section 14011.85 shall be treated as an application for medical assistance under the state plan for purposes of Section 14011.8.

(b) This section shall be implemented only if and to the extent that an appropriation is made for that purpose in the annual Budget Act or another statute.

SEC. 6. (a) *In the Budget Act of 2001 and each subsequent Budget Act thereafter, the Legislature has appropriated money for the provision under the Medi-Cal program of nonemergency benefits for the prevention and treatment of dental and*

1 *periodontal disease for beneficiaries during pregnancy to*
2 *prevent premature deliveries and low-birth weights.*

3 *(b) These preventive and treatment dental services for*
4 *pregnant women result in net savings to the Medi-Cal program*
5 *by avoiding the far more costly medical and other interventions*
6 *needed to treat and care for premature and low-birth weight*
7 *disabled newborns immediately at birth and throughout life.*

8 *(c) It is the intent of the Legislature to reaffirm its commitment*
9 *to the provision of the benefits described in subdivision (a) for*
10 *which money has consistently been appropriated.*

11 *(d) Therefore, the State Department of Health Services shall*
12 *immediately implement the provision of services described in*
13 *subdivision (a) by clearly informing Denti-Cal and other*
14 *Medi-Cal providers through a provider bulletin or bulletins that*
15 *the services described in subdivision (a) are included Medi-Cal*
16 *benefits for pregnant beneficiaries.*

17 *(e) (1) On or before January 1, 2008, the department shall*
18 *adopt regulations in accordance with the rulemaking*
19 *requirements of Chapter 3.5 (commencing with Section 11340) of*
20 *Part 1 of Division 3 of Title 2 of the Government Code to*
21 *implement the provision of services described in subdivision (a).*

22 *(2) Notwithstanding the rulemaking requirements of Chapter*
23 *3.5 (commencing with Section 11340) of Part 1 of Division 3 of*
24 *Title 2 of the Government Code, the implementation required*
25 *under this subdivision shall not be delayed pending the adoption*
26 *of administrative regulations.*

27 *SEC. 7. The sum of two million dollars (\$2,000,000) is hereby*
28 *appropriated from the General Fund to the Managed Risk*
29 *Medical Insurance Board and the State Department of Health*
30 *Services for expenditure to implement Section 12693.415 of the*
31 *Insurance Code and Section 14011.85 of the Welfare and*
32 *Institutions Code as a statewide pilot project for children under*
33 *the age of two years.*